

**EcoHealth Alliance, Inc. and Wildlife
Preservation Trust International, Inc.**

Independent Auditor's Reports and
Consolidated Financial Statements

June 30, 2018



EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

June 30, 2018

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Independent Auditor's Report

Board of Directors
EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the consolidated balance sheet as of June 30, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. as of June 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Year Audited by Other Auditors and Summarized Comparative Information

The 2017 financial statements were audited by other auditors, and their report thereon, dated November 30, 2017, expressed an unmodified opinion. The summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion based on our audit, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018 on our consideration of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting and compliance.

BKD, LLP

New York, New York
December 18, 2018

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**

Consolidated Balance Sheet

June 30, 2018

(With Summarized Financial Information as of June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 974,974	\$ 745,229
Investments	2,981,698	2,712,415
Contributions receivable	31,433	23,813
Government contracts receivable	2,496,755	3,067,568
Accounts receivable	4,803	4,295
Prepaid expenses	528,233	164,714
Security deposits	33,333	33,333
Fixed assets, net	87,965	110,300
Total assets	\$ 7,139,194	\$ 6,861,667
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 589,036	\$ 281,989
Subrecipient payable	480,334	947,457
Deferred rent payable	165,000	165,000
Refundable advances	862,788	655,600
Total liabilities	2,097,158	2,050,046
Net assets		
Unrestricted	4,833,750	4,649,174
Temporarily restricted	208,286	162,447
Total net assets	5,042,036	4,811,621
Total liabilities and net assets	\$ 7,139,194	\$ 6,861,667

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**
Consolidated Statement of Activities
Year Ended June 30, 2018
(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	
Operating Revenues and Other Support				
Government contracts and grants	\$ 15,085,333	\$ -	\$ 15,085,333	\$ 12,872,573
Foundations – contributions	231,442	192,567	424,009	191,656
Corporations – contributions (including in-kind contributions of \$22,438 and \$5,000 for 2018 and 2017, respectively)	107,954	-	107,954	53,263
Bequests	103,338	-	103,338	21,225
Individuals – contributions	70,522	-	70,522	315,964
Service fees	158,679	-	158,679	28,065
Special events	371,858	-	371,858	354,342
Interest and dividends	69,413	-	69,413	63,869
Other revenues	59,111	-	59,111	184,590
Net assets released from restrictions	146,728	(146,728)	-	-
Total operating revenues and other support	<u>16,404,378</u>	<u>45,839</u>	<u>16,450,217</u>	<u>14,085,547</u>

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**
Consolidated Statement of Activities
Year Ended June 30, 2018
(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018			2017
	Unrestricted	Temporarily Restricted	Total	
Expenses				
Program service				
Research and education	\$ 14,739,869	\$ -	\$ 14,739,869	\$ 12,237,739
Supporting services				
Management and general	947,391	-	947,391	816,748
Fund raising	529,326	-	529,326	588,119
Direct costs of special events	99,748	-	99,748	92,636
Total supporting services	<u>1,576,465</u>	<u>-</u>	<u>1,576,465</u>	<u>1,497,503</u>
Total expenses	<u>16,316,334</u>	<u>-</u>	<u>16,316,334</u>	<u>13,735,242</u>
Operating Income	88,044	45,839	133,883	350,305
Nonoperating Activities				
Investment gains	<u>96,532</u>	<u>-</u>	<u>96,532</u>	<u>119,446</u>
Change in Net Assets	184,576	45,839	230,415	469,751
Net Assets, Beginning of Year	<u>4,649,174</u>	<u>162,447</u>	<u>4,811,621</u>	<u>4,341,870</u>
Net Assets, End of Year	<u>\$ 4,833,750</u>	<u>\$ 208,286</u>	<u>\$ 5,042,036</u>	<u>\$ 4,811,621</u>

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Consolidated Statement of Functional Expenses

Year Ended June 30, 2018

(With Summarized Financial Information for the Year Ended June 30, 2017)

	Program Service		Supporting Services			Total	
	Research and Education	Management and General	Fund Raising	Direct Costs of Special Events	Total	2018	2017
Salaries	\$ 3,800,785	\$ 533,290	\$ 187,167	\$ -	\$ 720,457	\$ 4,521,242	\$ 4,353,704
Payroll taxes and employee benefits	1,350,714	189,520	66,515	-	256,035	1,606,749	1,381,070
Total salaries and related expenses	<u>5,151,499</u>	<u>722,810</u>	<u>253,682</u>	<u>-</u>	<u>976,492</u>	<u>6,127,991</u>	<u>5,734,774</u>
Professional fees	461,378	18,344	61,740	-	80,084	541,462	500,415
Subrecipient services	6,768,987	-	-	-	-	6,768,987	4,768,345
Grants to other organizations	50,000	-	-	-	-	50,000	54,000
Field costs	455,046	33	470	-	503	455,549	318,548
Meetings and conferences	166,476	6,957	97,941	-	104,898	271,374	275,549
Travel and entertainment	810,327	38,238	20,905	-	59,143	869,470	855,980
Occupancy	547,246	74,387	44,521	-	118,908	666,154	644,805
Printing	35,108	3,662	25,162	-	28,824	63,932	118,653
Postage	15,061	1,652	3,403	-	5,055	20,116	44,160
Supplies	31,240	3,812	2,690	-	6,502	37,742	51,570
Telephone	65,913	2,907	1,813	-	4,720	70,633	59,402
Dues and subscriptions	19,447	17,916	12,719	-	30,635	50,082	25,143
Depreciation and amortization	-	22,335	-	-	22,335	22,335	16,741
Catering and facility rental	-	-	-	99,748	99,748	99,748	92,636
Information technology	155,652	34,338	4,280	-	38,618	194,270	169,534
Investment expenses	-	16,765	-	-	16,765	16,765	15,177
Miscellaneous	6,489	-	-	-	-	6,489	4,987
Total other than salaries and related expenses	<u>9,588,370</u>	<u>241,346</u>	<u>275,644</u>	<u>99,748</u>	<u>616,738</u>	<u>10,205,108</u>	<u>8,015,645</u>
Total expenses	14,739,869	964,156	529,326	99,748	1,593,230	16,333,099	13,750,419
Less investment management fees netted against investment income	-	(16,765)	-	-	(16,765)	(16,765)	(15,177)
Total expenses reported on the statement of activities	<u>\$ 14,739,869</u>	<u>\$ 947,391</u>	<u>\$ 529,326</u>	<u>\$ 99,748</u>	<u>\$ 1,576,465</u>	<u>\$ 16,316,334</u>	<u>\$ 13,735,242</u>

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**

Consolidated Statement of Cash Flows

Year Ended June 30, 2018

(With Summarized Financial Information for the Year Ended June 30, 2017)

	2018	2017
Operating Activities		
Change in net assets	\$ 230,415	\$ 469,751
Items not requiring (providing) operating cash flows		
Depreciation and amortization	22,335	16,741
Realized and unrealized gain on investments	(113,297)	(134,623)
Changes in		
Contributions receivable	(7,620)	2,376
Government contracts receivable	570,813	(176,113)
Accounts receivable	(508)	70,000
Prepaid expenses	(363,519)	(22,356)
Accounts payable and accrued expenses	307,047	(172,730)
Subrecipient payable	(467,123)	(169,494)
Deferred rent payable	-	27,500
Refundable advances	207,188	-
Net cash provided by (used in) operating activities	385,731	(88,948)
Investing Activities		
Proceeds from sale of investments	454,656	376,686
Purchase of investments	(610,642)	(446,604)
Fixed asset acquisitions	-	(88,168)
Net cash used in investing activities	(155,986)	(158,086)
Net Change in Cash and Cash Equivalents	229,745	(247,034)
Cash and Cash Equivalents, Beginning of Year	745,229	992,263
Cash and Cash Equivalents, End of Year	\$ 974,974	\$ 745,229

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Note 1: Organization and Tax Status

EcoHealth Alliance, Inc. was incorporated on July 20, 2000 in the Commonwealth of Massachusetts. EcoHealth Alliance, Inc.'s mission is to integrate innovative science-based solutions and partnerships that increase capacity to achieve two interrelated goals: protecting global health by preventing the outbreak of emerging diseases and safeguarding ecosystems by promoting conservation.

EcoHealth Alliance, Inc. is funded primarily by government contracts and grants and contributions.

Wildlife Preservation Trust International, Inc. (WPTI) was incorporated on January 7, 1976 in the state of Pennsylvania. WPTI is a dormant corporation. In 2000, WPTI transferred all of its assets to Wildlife Trust Inc., now known as EcoHealth Alliance, Inc. WPTI is controlled by EcoHealth Alliance, Inc.

EcoHealth Alliance, Inc. and WPTI are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and are related through common control.

EcoHealth Alliance, Inc. and WPTI are collectively referred to as "EHA."

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements are prepared on the accrual basis of accounting.

Principles of Consolidation

All material intercompany transactions and balances have been eliminated in the consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Cash and Cash Equivalents

EHA considers highly liquid instruments purchased with original maturities of three months or less to be cash equivalents. EHA has periodically throughout the year maintained balances in various operating and money market accounts in excess of federally insured limits. Financial institutions which potentially subject EHA to a concentration of credit are cash accounts with financial institutions in excess of FDIC insurance limits and were approximately \$725,000 as of June 30, 2018 and \$495,000 as of June 30, 2017.

Investments

Investments are recorded at fair value. EHA invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based upon the markets' fluctuations, and that such changes could materially affect EHA's consolidated financial statements.

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments. Investment return is reflected in the statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Government Contracts Receivable

Government contracts receivable are recorded when qualifying expenditures are incurred and EHA has a signed contract for services. All government contracts receivable are expected to be collected in the upcoming fiscal year.

Accounts Receivable

EHA records receivables based on established rates or contracts for services provided, as they are earned. Interest income is not accrued or recorded on outstanding accounts receivable.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Allowance for Doubtful Accounts

EHA determines whether an allowance for uncollectibles should be provided for contributions, government contracts receivable and accounts receivable. Such estimates are based on management's assessment of the aged basis of its contributions and other receivables, current economic conditions and historical information. Contributions, government contracts receivable and accounts receivable are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted. As of June 30, 2018, no allowance was deemed necessary or recorded by management.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Items with a cost of \$5,000 or more and an estimated useful life of greater than one year are capitalized. Depreciation of fixed assets is recorded on the straight-line method over their estimated useful lives. Leasehold improvements are recorded at cost and are amortized over the shorter of the term of the lease or their estimated useful lives using the straight-line method.

Refundable Advances

Payments from government agencies in excess of qualifying expenses under the terms of the contract are reflected on the consolidated balance sheet as refundable advances.

Net Assets

Unrestricted net assets include funds having no restriction as to use or purpose imposed by donors. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

Revenues from Government Contracts and Grants

Revenues from government agencies are recognized when earned. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as milestones are achieved.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Contributions

Unconditional contributions, including promises to give cash and other assets, are reported at fair value at the date the contribution is received. Contributions are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions. Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as temporarily restricted and then released from restriction.

Conditional gifts depend on the occurrence of a specific future and uncertain event to bind the potential donor and are recognized as assets and revenue when the conditions are substantially met and the gift becomes unconditional.

In-Kind Donations

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. In-kind donations for legal services are recorded at fair value at the date they are contributed.

Service Fees

Service fees are received from corporations for research projects performed under the terms of their respective contracts. Revenue is recognized as project work is performed per the terms of their respective contract.

Functional Allocation of Expenses

The costs of providing EHA's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subrecipient Services

Subrecipient services are recorded when services are rendered. Advances to subrecipients are recorded as an asset. As of June 30, 2018 and 2017, there were no advances to subrecipients.

Rent Expense

EHA leases space at various locations. All leases are operating leases. Leases are reflected on the straight-line basis. Deferred rent represents the difference between fixed payments and rent expense.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Measure of Operations

EHA includes in its measure of operations all revenues and expenses that are an integral part of its program and supporting services. Interest and dividends are included in the operating measure. Realized and unrealized gains on investments are excluded from the measure of operations.

Prior-Year Summarized Comparative Information

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the consolidated financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that EHA has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018 as compared to June 30, 2017.

Corporate Bonds: Valued at the closing price reported for comparable securities of issuers with similar yields and similar credit ratings.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

U.S. Treasury Bonds and Notes, Common Stock, and Exchange-Traded Funds (ETFs): Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value (NAV) of shares held at end of year. The mutual funds held by EHA are deemed to be actively traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while EHA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The assets at fair value as of June 30, 2018 and 2017 are set forth by level within the fair value hierarchy in Note 3.

Uncertainty in Income Taxes

EHA has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Periods ending June 30, 2015 and subsequent remain subject to examination by applicable taxing authorities.

Subsequent Events

Subsequent events have been evaluated through December 18, 2018 which is the date the consolidated financial statements were available to be issued.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Note 3: Investments

	2018		
	Level 1	Level 2	Total
Bonds			
Corporate bonds	\$ -	\$ 523,236	\$ 523,236
U.S. Treasury bonds and notes	108,634	-	108,634
Mutual funds			
Bond funds	113,673	-	113,673
Common stock			
Basic materials	205,812	-	205,812
Consumer goods	433,771	-	433,771
Financial	310,755	-	310,755
Healthcare	353,840	-	353,840
Industrials	209,260	-	209,260
Services	245,526	-	245,526
Technology	290,583	-	290,583
Communication	36,043	-	36,043
Energy	35,235	-	35,235
Investments reported on the fair value hierarchy	<u>\$ 2,343,132</u>	<u>\$ 523,236</u>	2,866,368
Cash equivalents			<u>115,330</u>
Total investments			<u>\$ 2,981,698</u>

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

	2017		
	Level 1	Level 2	Total
Bonds			
Corporate bonds	\$ -	\$ 426,089	\$ 426,089
U.S. Treasury bonds and notes	96,246	-	96,246
Mutual funds			
Bond funds	146,358	-	146,358
Common stock			
Basic materials	170,017	-	170,017
Consumer goods	501,493	-	501,493
Financial	246,139	-	246,139
Healthcare	363,944	-	363,944
Industrials	130,300	-	130,300
Services	280,704	-	280,704
Technology	267,879	-	267,879
Utilities	29,525	-	29,525
Investments reported on the fair value hierarchy	<u>\$ 2,232,605</u>	<u>\$ 426,089</u>	2,658,694
Cash equivalents			53,721
Total investments			<u>\$ 2,712,415</u>

Investment income consists of the following:

	2018	2017
Interest and dividends	\$ 69,413	\$ 63,869
Realized and unrealized gains on investments	113,297	134,623
Investment fees	(16,765)	(15,177)
Net realized and unrealized gains on investments	96,532	119,446
Total investment income	<u>\$ 165,945</u>	<u>\$ 183,315</u>
Operating	\$ 69,413	\$ 63,869
Nonoperating	96,532	119,446
	<u>\$ 165,945</u>	<u>\$ 183,315</u>

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Note 4: Fixed Assets

	2018	2017	Estimated Useful Lives
Office equipment	\$ 77,744	\$ 77,744	3 years
Furniture and fixtures	86,681	86,681	10 years
Leasehold improvements	560,992	560,992	10 years
	725,417	725,417	
Accumulated depreciation and amortization	(637,452)	(615,117)	
	\$ 87,965	\$ 110,300	

Note 5: Line of Credit

On January 16, 2010, EHA established an unsecured line of credit with The Haverford Trust Company, enabling it to borrow, from time to time, an amount not exceeding \$700,000. The interest rate was 4% at June 30, 2018. There were no borrowings during 2018 and 2017 and no amounts were outstanding as of June 30, 2018 and 2017. The line of credit expires January 13, 2019.

Note 6: Pension

EHA has a 403(b) defined contribution pension plan covering employees who meet age and length of service requirements. Pension expense was \$312,180 and \$167,723 for the years ended June 30, 2018 and 2017, respectively.

Note 7: Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	2018	2017
Conservation medicine field activities	\$ 192,446	\$ 131,607
Research programs	15,840	30,840
	\$ 208,286	\$ 162,447

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Temporarily restricted net assets have been released from restrictions by satisfying the following purposes:

	2018	2017
Conservation medicine field activities	\$ 96,728	\$ 105,467
Research programs	50,000	67,240
	\$ 146,728	\$ 172,707

Note 8: Occupancy

Rent expense is recorded on the straight-line basis. Deferred rent as of June 30, 2018 and 2017 was \$165,000. In 2005, EHA entered into a ten-year and five-month lease for office space in New York. On September 24, 2013 the lease was extended through December 31, 2023. Rent expense for the years ended June 30, 2018 and 2017 was \$424,600.

Minimum lease payments are as follows:

<u>Year Ending June 30,</u>		
2019	\$	424,600
2020		424,600
2021		452,100
2022		479,600
2023		479,600
Thereafter		239,800
	\$	2,500,300

Note 9: Contingencies

EHA is responsible to report to various government agencies. These agencies, as well as the New York State Attorney General's Bureau of Charities Registration, the Internal Revenue Service, and the Office of Inspector General have the right to audit EHA. These agencies have the right to audit fiscal as well as programmatic compliance, i.e., research and field survey documentation among other compliance requirements. Management believes that the results of such audits, if any, will not have an adverse effect on the consolidated financial statements.

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes To Consolidated Financial Statements

June 30, 2018

Note 10: Concentrations

Approximately 92% of EHA's operating revenue is generated through government contracts, of which 74% of revenue is from one federal contract for the year ended June 30, 2018.

Approximately 61% of EHA's government contracts receivable is from one federal contract for the year ended June 30, 2018.

Approximately 91% of EHA's operating revenue is generated through government contracts, of which 71% of revenue is from one federal contract for the year ended June 30, 2017.

Approximately 75% of EHA's government contracts receivable is from one federal contract for the year ended June 30, 2017.

Supplementary Information

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Passed Through to Subrecipients	Total Federal Expenditures
Research and Development Cluster				
National Science Foundation				
Biological Sciences	47.074			
EcohealthNet			\$ -	\$ 59,664
Risk of Animal and Plant Infectious Diseases Through Trade	47.074			
Pass-through from Arizona State University		15-588	-	8,773
Total National Science Foundation			<u>-</u>	<u>68,437</u>
U.S. Department of Defense				
Defense Threat Reduction Agency				
Rift Valley Fever in South Africa	12.UNKNOWN		100,460	937,708
Global Rapid Identification Tool Set	12.UNKNOWN		8,750	312,396
Serological Biosurveillance for Spillover of Henipaviruses and Filoviruses at Agricultural and Hunting Human-Animal Interfaces in Peninsular Malaysia	12.UNKNOWN		283,826	707,772
Understanding the Risk of Bat-Borne Zoonotic Disease Emergence in Western Asia	12.UNKNOWN		-	400,450
Total U.S. Department of Defense			<u>393,036</u>	<u>2,358,326</u>
U.S. Department of Health and Human Services				
National Institutes of Health				
Allergy and Infectious Diseases Research	93.855		1,000	606,011
Pass-through from Columbia University Center for Excellence	93.855	6(GG008377)	-	64,987
Total Allergy and Infectious Diseases Research			<u>1,000</u>	<u>670,998</u>
Total U.S. Department of Health and Human Services National Institutes of Health			<u>1,000</u>	<u>670,998</u>

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identification Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security				
Centers for Homeland Security				
Ground Truth	97.UNKNOWN		\$ 11,000	\$ 333,455
IBIS	97.UNKNOWN		15,008	248,783
Total U.S. Department of Homeland Security			<u>26,008</u>	<u>582,238</u>
U.S. Agency for International Development				
Global Viral Forecasting				
Infectious Disease Emergence and Altered Landscapes	98.UNKNOWN		500	282,323
Emerging Pandemic Threats Program				
Pass-through from University of California-Davis	98.UNKNOWN	201403200-07	746,238	11,123,011
Total U.S. Agency for International Development			<u>746,738</u>	<u>11,405,334</u>
Total Research and Development Cluster			<u>1,166,782</u>	<u>15,085,333</u>
Total expenditures of federal awards			<u>\$ 1,166,782</u>	<u>\$ 15,085,333</u>

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

Board of Directors
EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc., which comprise the consolidated balance sheet as of June 30, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 18, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s consolidated financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

New York, New York
December 18, 2018

**Report on Compliance for Each Major Federal Program
and Report on Internal Control Over Compliance
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors
EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.

Report on Compliance for Each Major Federal Program

We have audited EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s major federal program for the year ended June 30, 2018. EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to their federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on their major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

New York, New York
December 18, 2018

EcoHealth Alliance, Inc. and Wildlife Preservation Trust International, Inc.

Schedule of Findings and Questioned Costs Year Ended June 30, 2018

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified *Qualified* *Adverse* *Disclaimer*

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)? *Yes* *None reported*
Material weakness(es)? *Yes* *No*

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes *No*

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? *Yes* *None reported*
Material weakness(es)? *Yes* *No*

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

Unmodified *Qualified* *Adverse* *Disclaimer*

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes *No*

**EcoHealth Alliance, Inc. and Wildlife Preservation
Trust International, Inc.**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2018**

7. The Organization's major program was:

<u>Cluster/Program</u>	<u>CFDA Number</u>
Research and Development Cluster	Various

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The Organization qualified as a low-risk auditee? *Yes* *No*

Findings Required to be Reported by Government Auditing Standards

No matters were reported.

Findings Required to be Reported by the Uniform Guidance

No matters were reported.